

**Agreement
Between the Government of the Republic of Turkey
And The Government of the Republic of Uzbekistan
For the Avoidance of Double Taxation
With Respect To Taxes On Income**

THE GOVERNMENT OF THE REPUBLIC OF TURKEY
AND
THE GOVERNMENT OF THE REPUBLIC OF UZBEKISTAN

Desiring to conclude an Agreement for the avoidance of double taxation with respect to taxes on income and with a view to promote economic cooperation between the two countries,

HAVE AGREED AS FOLLOWS:

Article 1

PERSONAL SCOPE

This Agreement shall apply to persons who are residents of one or both of the Contracting States

Article 2

TAXES COVERED

1. This Agreement shall apply to taxes on income imposed on behalf of a Contracting State or its administrative territorial subdivisions or local authorities, irrespective of the manner in which they are levied.

2. There shall be regarded as taxes on income all taxes imposed on total income, or on elements of income, including taxes on gains from the alienation of movable or immovable property.

3. The existing taxes to which this Agreement shall apply are, in particular.

a) in the Republic of Turkey

- i) the income tax,
- ii) the corporation tax,
- iii) the levy imposed on the income tax and the corporation tax,

(hereinafter referred to as "Turkish tax")

b) in the Republic of Uzbekistan:

- i) individual income tax imposed on profits of citizens of Uzbekistan and persons without any citizenship,

- ii) taxes imposed on profit of enterprises, organizations and other amalgamations according to the laws of the Republic of Uzbekistan;
 - iii) levies treated as taxes on income in conformity with the laws of the Republic of Uzbekistan;
- (hereinafter referred to as "Uzbek tax").

4. The Agreement shall apply also to any identical or substantially similar taxes on income which are imposed after the date of signature of this Agreement in addition to, or in place of, the existing taxes. The competent authorities of the Contracting States shall notify each other of important changes which have been made in their respective taxation laws, necessary for the implementation of this Agreement

Article 3

GENERAL DEFINITIONS

1. For the purposes of this Agreement, unless the context otherwise requires:

- a) i) the term "Turkey" means the Turkish territory, territorial sea as well as the maritime areas over which it has jurisdiction or sovereign rights for the purpose of exploiting, conserving and managing natural resources, pursuant to international law;
- ii) the term "Uzbekistan" means the Republic of Uzbekistan and when used in geographical sense includes its national territory, determined in accordance with the international law.
- b) the terms "a Contracting State" and "the other Contracting State" mean the Republic of Turkey (Turkey) or the Republic of Uzbekistan (Uzbekistan), as the context requires;
- c) the term "tax" means any tax covered by Article 2 of this Agreement;
- d) the term "person" means an individual, a company and any other body of persons;
- e) the term "company" means any body corporate or any entity which is treated as a body corporate for tax purposes;
- f) the term "registered office" means:
 - i) in the case of Turkey, the legal head office registered under the Turkish Code of Commerce;
 - ii) in the case of Uzbekistan any legal establishment, organization registered in conformity with the laws of the Republic of Uzbekistan in force on date of registration;
- g) the term "national" means:
 - i) in relation to Turkey, any individual possessing the Turkish nationality in accordance with the Turkish Nationality Code; and any legal person, partnership or association deriving its status as such from the laws in force in Turkey;
 - ii) in relation to Uzbekistan, any person of Uzbek citizenship in conformity with the law of the Republic of Uzbekistan on citizenship; and any legal person, partnership or association deriving its status as such from the laws in force in Uzbekistan;
- h) the terms "enterprise of a Contracting State" and "enterprise of the other Contracting State" mean respectively an enterprise carried on by a resident of a Contracting State and enterprises carried on by a resident of the other Contracting State;
- i) the term "competent authority" means

- i) in Turkey, the Minister of Finance or his authorized representative, and
- ii) in Uzbekistan, the State Taxation Committee,
- j) the term "international traffic" means any transport by an aircraft or a road vehicle operated by an enterprise of a Contracting State except when the aircraft or road vehicle is operated solely between places situated in the territory of the other Contracting State,
- k) the term "beneficial owner" clause should be interpreted in the meaning that a third country resident will not be allowed to get benefits from the Tax Agreement with regard to dividends, interests and royalties derived from Turkey or Uzbekistan, but this restriction shall in no case be applied to residents of a Contracting State
2. As regards the application of this Agreement by a Contracting State, any term not defined therein shall, unless the context otherwise requires, have the meaning which it has under the laws of that State concerning the taxes to which the Agreement applies.

Article 4

RESIDENT

1. For the purposes of this Agreement, the term "resident of a Contracting State" means any person who, under the laws of that State, is liable to tax therein by reason of his domicile, residence, place of management, registered office or any other criterion of a similar nature.

2. Where by reason of the provisions of paragraph 1 an individual is a resident of both Contracting States, then his status shall be determined as follows

- a) he shall be deemed to be a resident of the State in which he has a permanent home available to him; if he has a permanent home available to him in both States, he shall be deemed to be a resident of the State with which his personal and economic relations are closer (centre of vital interests);
- b) if the State in which he has his centre of vital interests cannot be determined, or if he has not a permanent home available to him in either State, he shall be deemed to be a resident of the Contracting State in which he has an habitual abode,
- c) if he has an habitual abode in both Contracting States or in neither of them, he shall be deemed to be a resident of the State of which he is a national,
- d) if he is a national of both States or of neither of them the competent authorities of the Contracting States shall settle the question by mutual agreement

3. Where by reason of the provisions of paragraph 1 a person other than an individual is a resident of both Contracting States, then it shall be deemed to be a resident of the Contracting State in which its registered office is situated. However, where such a person has the place of effective management of its business in one of the Contracting States and the place of its registered office in the other Contracting State the competent authorities of the Contracting States shall determine by mutual agreement the Contracting State of which the person shall be deemed to be a resident for the purposes of this Agreement

Article 5

PERMANENT ESTABLISHMENT

1. For the purposes of this Agreement, the term "permanent establishment" means a fixed place of business through which the business of enterprise is wholly or partly carried on

2 The term "permanent establishment" includes especially:

- a) a place of management,
- b) a branch,
- c) an office;
- d) a factory;
- e) a workshop,
- f) a mine, an oil or gas well, quarry or any other place of extraction of natural resources,
- g) a building site, a construction, assembly or installation project or supervisory activities in connection therewith, but only such project or activities continue for a period of more than thirty-six months. A site exists from the date on which the contractor begins his work including any preparatory work, in the construction

3 Notwithstanding the preceding provisions of this Article, the term "permanent establishment" shall be deemed not to include

- a) the use of facilities solely for the purpose of storage, display or delivery of goods or merchandise belonging to the enterprise,
- b) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, display or delivery,
- c) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise,
- d) the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise or of collecting information for the enterprise,
- e) the maintenance of a fixed place of business solely for the purpose of carrying on, for the enterprise, any other activity of a preparatory or auxiliary character,
- f) the maintenance of a fixed place of business solely for any combination of activities mentioned in sub-paragraphs a) to e), provided that the overall activity of the fixed place of business resulting from this combination is of a preparatory or auxiliary character.

4 Notwithstanding the provisions of paragraphs 1 and 2, where a person - other than an agent of an independent status to whom paragraph 5 applies - is acting in a Contracting State on behalf of an enterprise of the other Contracting State shall be deemed to have a permanent establishment in the first-mentioned Contracting State in respect of any activities which that person undertakes for the enterprise, if such a person

- a) has and habitually exercises in that State an authority to conclude contracts in the name of the enterprise, unless the activities of such person are limited to those mentioned in paragraph 3 which, if exercised through a fixed place of business would not make this fixed place of business a permanent establishment under the provisions of that paragraph, or
- b) has no such authority, but habitually maintains in the first-mentioned State a stock of goods or merchandise from which he regularly delivers goods or merchandise on behalf of the enterprise

5 An enterprise of a Contracting State shall not be deemed to have a permanent establishment in the other Contracting State merely because it carries on business in that other State through a broker, general commission agent or any other agent of an independent status, provided that such persons are acting in the ordinary course of their business

6. The fact that a person other than an individual which is a resident of a Contracting State controls or is controlled by a person other than an individual which is a resident of the other Contracting State, or which carries on business in that other State (whether through a permanent establishment or otherwise), shall not of itself constitute either company a permanent establishment of the other

Article 6

INCOME FROM IMMOVABLE PROPERTY

1 Income derived by a resident of a Contracting State from immovable property (including income from agriculture or forestry) situated in the other Contracting State may be taxed in that other State.

2. The term "immovable property" shall have the meaning which it has under the law of the Contracting State in which the property in question is situated. The term "immovable property" shall in any case include property accessory to immovable property, livestock and equipment used in agriculture and forestry, fishing places of every kind, rights to which the provisions of general law respecting landed property apply, usufruct of immovable property and rights to variable or fixed payments as consideration for the working of, or the right to work, mineral deposits, sources and other natural resources. Aircraft and road vehicles shall not be regarded as immovable property.

3. The provisions of paragraph 1 shall apply to income derived from the direct use, letting or use in any other form of immovable property.

4. The provisions of paragraphs 1 and 3 shall also apply to the income from immovable property of an enterprise and to income from immovable property used from the performance of independent personal services.

Article 7

BUSINESS PROFITS

1. The profits of an enterprise of a Contracting State shall be taxable only in that State unless the enterprise carries on business in the other Contracting State through a permanent establishment situated therein. If the enterprise carries on business as aforesaid, the profits of the enterprise may be taxed in the other State but only so much of them as is attributable to that permanent establishment.

2. Subject to the provisions of paragraph 3, where an enterprise of a Contracting State carries on business in the other Contracting State through a permanent establishment situated therein, there shall in each Contracting State be attributed to that permanent establishment the profits which it might be expected to make if it were a distinct and separate enterprise engaged in the same or similar activities under the same or similar conditions and dealing wholly independently with the enterprise of which it is a permanent establishment.

3. In determining the profits of a permanent establishment, there shall be allowed as deduction expenses which are incurred for the purposes of the permanent establishment, including executive and general administrative expenses so incurred, whether in the State in which the permanent establishment is situated or elsewhere.

4. No profits shall be attributed to a permanent establishment by reason of the mere purchase by that permanent establishment of goods or merchandise for the enterprise.

5. Where profits include items of income which are dealt with separately in other Articles of this Agreement, then the provisions of those Articles shall not be affected by the provisions of this Article.

Article 8**AIR AND LAND TRANSPORT**

1. Profits of an enterprise of a Contracting State derived from the other Contracting State from the operation of aircraft or road vehicles in international traffic shall be taxable only in the first-mentioned State.

2. The provisions of paragraph 1 of this Article shall also apply to profits derived from the participation in a pool, a joint business or in international operating agency.

Article 9**ASSOCIATED ENTERPRISES****1. Where**

- a) an enterprise of a Contracting State participates directly or indirectly in the management, control or capital of an enterprise of the other Contracting State, or
- b) the same persons participate directly or indirectly in the management, control or capital of an enterprise of a Contracting State and an enterprise of the other Contracting State,

and in either case conditions are made or imposed between the two enterprises in their commercial or financial relations which differ from those which would be made between independent enterprises, then any profits which would, but for those conditions, have accrued to one of the enterprises, but, by reason of those conditions, have not so accrued, may be included in the profits of that enterprise and taxed accordingly

2. Where a Contracting State includes in the profits of an enterprise of that State - and taxes accordingly - profits on which an enterprise of the other Contracting State has been charged to tax in that other State and the profits so included are by the first-mentioned State claimed to be profits which would have accrued to the enterprise of the first-mentioned State if the conditions made between the two enterprises had been those which would have been made between independent enterprises, then that other State shall make an appropriate adjustment to the amount of the tax charged therein on those profits, where that other State considers the adjustment justified. In determining such adjustment, due regard shall be had to the other provisions of this Agreement and the competent authorities of the Contracting States shall if necessary consult each other.

Article 10**DIVIDENDS**

1. Dividends, paid by a company which is a resident of a Contracting State to a resident of the other Contracting State may be taxed in that other Contracting State.

2. However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident, and according to the laws of that State, but if the recipient is the beneficial owner of the dividends the tax so charged shall not exceed 10 percent of the gross amount of the dividends

3. The term "dividends" as used in this Article means income from shares, or other rights, not being debt-claims, participating in profits, as well as income from other corporate rights which is subjected to the same taxation treatment as income from shares by the laws of the State of which the company making the distribution is a resident, and income derived from an investment fund and investment trust

4 Profits of a company which is a resident of a Contracting State carrying on business in the other Contracting State through a permanent establishment situated therein may, after having been taxed under Article 7, be taxed on the remaining amount in the Contracting State in which the permanent establishment is situated and in accordance with the laws of that State provided that the rate of tax so charged shall not exceed the rate mentioned in paragraph 2 of this Article

5 Provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the dividends, being a resident of a Contracting State, carries on business in the other Contracting State of which the company paying the dividends is a resident, through a permanent establishment situated therein, and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment. In such case the provisions of Article 7 shall apply.

Article 11

INTEREST

1. Interest arising in a Contracting State and paid to a resident of the other Contracting State, may be taxed in that other State

2. However, such interest may also be taxed in the Contracting State in which it arises, and according to the laws of that State, but if the recipient is the beneficial owner of that interest the tax so charged shall not exceed 10 percent of the gross amount of the interest

3. Notwithstanding the provisions of paragraph 2, interest arising in.

a) Uzbekistan and paid to the Government of Turkey or to the Central Bank of Turkey or Turkish Eximbank shall be exempt from the Uzbek tax,

b) Turkey and paid to the Government of Uzbekistan or to the Central Bank of Uzbekistan shall be exempt from Turkish tax

4. The term "interest" as used in this Article means income from government securities, bonds or debentures whether or not secured by mortgage and whether or not carrying a right to participate in profits, and debt-claims of every kind as well as all other income assimilated to income from money lent by the taxation laws of the Contracting State in which the income arises

5. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the interest being a resident of a Contracting State carries on business in the other Contracting State in which the interest arises, through a permanent establishment situated therein, and the debt-claim in respect of which the interest is paid is effectively connected with such permanent establishment. In such case the provisions of Article 7 shall apply

6. Interest shall be deemed to arise in a Contracting State when the payer is that State itself, an administrative territorial subdivision, a local authority or a resident of that State. Where, however, the person paying the interest, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment in connection with which the indebtedness on which the interest is paid was incurred and such interest is borne by such permanent establishment, then such interest shall be deemed to arise in the Contracting State in which the permanent establishment is situated

7. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the interest, having regard to the debt-claim for which it is paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner, in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard being had to the other provisions of this Agreement.

Article 12

ROYALTIES

1. Royalties arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State

2. However, such royalties may also be taxed in the Contracting State in which they arise, and according to the laws of that State, but if the recipient is the beneficial owner of the royalties the tax so charged shall not exceed 10 percent of the gross amount of the royalties

3. The term "royalties" as used in this Article means payments of any kind, received as a consideration for the use of, or the right to use, the sale of, any copyright of literary, artistic or scientific work, including cinematograph films and recordings for the radio and television, any patents, trade mark, design or model, plan, secret formula or process or for information concerning industrial, commercial or scientific experience or for the use of or the right to use industrial, commercial or scientific equipment

4. The provisions of paragraphs 1 and 2 shall not apply, if the beneficial owner of the royalties being a resident of a Contracting State carries on business in the other Contracting State in which the royalties arise through a permanent establishment situated therein, and the right or property in respect of which the royalties are paid is effectively connected with such permanent establishment. In such case the provisions of Article 7 shall apply

5. Royalties shall be deemed to arise in a Contracting State when the payer is that State itself and administrative territorial subdivision, a local authority or a resident of that State. Where, however, the person paying the royalties whether he is a resident of a Contracting State or not has in a Contracting State a permanent establishment with which the right or property giving rise to the royalties is effectively connected and such royalties are borne by such permanent establishment, then such royalties shall be deemed to arise in the Contracting State in which the permanent establishment is situated

6. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person the amount of the royalties paid, having regard to the use, right or information, for which they are paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such case, the excess part of the payment shall remain taxable according to the laws of each Contracting State, due regard being had to the other provisions of this Agreement

Article 13

CAPITAL GAINS

1. Gains derived by a resident of a Contracting State from the alienation of immovable property, referred to in Article 6 and situated in the other Contracting State may be taxed in that other State

2. Gains from the alienation of movable property forming part of the business property of a permanent establishment, which an enterprise of a Contracting State has in the other Contracting State, including such gains from the alienation of such a permanent establishment (alone or with the whole enterprise) may be taxed in the other State

3. Gains derived by a resident of a Contracting State from the alienation of aircraft or road vehicles operated in international traffic or movable property pertaining to the operation of such aircraft or road vehicles shall be taxable only in that Contracting State.

4 Gains from the alienation of any property, other than that referred to in paragraphs 1, 2 and 3 shall be taxable only in the Contracting State of which the alienator is a resident. However, the capital gains mentioned in the foregoing sentence and derived from the other Contracting State, shall be taxable in the other Contracting State if the time period does not exceed one year between acquisition and alienation.

Article 14

INDEPENDENT PERSONAL SERVICES

1 Income derived by a resident of a Contracting State in respect of professional services or other activities of an independent character shall be taxable only in that State unless the activities are exercised in the other Contracting State. If the activities are exercised in that other State, such income may be taxed in that other State.

2 Notwithstanding the provisions of paragraph 1, income derived by a resident of a Contracting State in respect of professional services or other activities of an independent character exercised in the other Contracting State shall be taxable only in the first-mentioned State if the recipient is present in the other State for a period or periods not exceeding in the aggregate 183 days in any twelve month period commencing or ending in the fiscal year concerned.

3. The term "professional services" includes especially independent scientific, literary, artistic, educational or teaching activities as well as the independent activities of physicians, lawyers, engineers, architects, dentists, accountants and other activities requiring a specific professional skill. Income derived from the activities of the same or similar nature by persons other than individuals shall be taxed in accordance with the provisions of Articles 5 and 7 of this Agreement.

Article 15

DEPENDENT PERSONAL SERVICES

1 Subject to the provisions of Articles 16, 18, 19 and 20, salaries, wages and other similar remuneration, derived by a resident of a Contracting State in respect of an employment shall be taxable only in that State unless the employment is exercised in the other Contracting State. If the employment is so exercised, such remuneration as is derived therefrom may be taxed in that other State.

2 Notwithstanding the provisions of paragraph 1, remuneration derived by a resident of a Contracting State in respect of an employment exercised in the other Contracting State shall be taxable only in the first-mentioned State if

- a) recipient is present in the other State for a period or periods not exceeding in the aggregate 183 days in any twelve month period commencing or ending in the fiscal year concerned, and
- b) the remuneration is paid by or on behalf of an employer who is not a resident of the other State, and
- c) the remuneration is not borne by a permanent establishment which the employer has in the other State.

3 Notwithstanding the preceding provisions of this Article, remuneration derived in respect of an employment exercised aboard an aircraft or road vehicle operated in international traffic, may be taxed in the Contracting State of which the person deriving the profits from the operation of aircraft or road vehicles is a resident.

Article 16**DIRECTORS' FEES**

Directors' fees and other similar payments derived by a resident of a Contracting State in his capacity as a member of the board of directors or similar body of a company or any other legal persons which is a resident of the other Contracting State may be taxed in that other State

Article 17**ARTISTES AND SPORTSMEN**

1. Notwithstanding the provisions of Articles 14 and 15, income derived by a resident of a Contracting State as an entertainer, such as a theatre, motion picture, radio or television artiste, or a musician, or as a sportsman, from his personal activities as such exercised in the other Contracting State, may be taxed in that other State

2. Where income in respect of personal activities exercised by an entertainer or a sportsman in his capacity as such accrues not to the entertainer or sportsman himself but to another person, that income may, notwithstanding the provisions of Articles 7, 14 and 15, be taxed in the Contracting State in which the activities of the entertainer or sportsman are exercised

3. Income derived by an entertainer or a sportsman from activities exercised in a Contracting State shall be exempt from tax in that State, if the visit to that State is supported by public funds of the other Contracting State, an administrative territorial subdivision or a local authority thereof

Article 18**GOVERNMENT SERVICE**

1. a) Remuneration, other than a pension, paid by a Contracting State or an administrative territorial subdivision or a local authority thereof to any individual in respect of services rendered to that State or subdivision or authority thereof shall be taxable only in that State.
- b) Notwithstanding the provisions of sub-paragraph (1-a) of this Article, such remuneration shall be taxable only in the other Contracting State if the services are rendered in that State and the recipient is a resident of that other State who
 - (i) is a national of that State not being a national of the first-mentioned State, or
 - (ii) not being a national of the first-mentioned State did not become a resident of that State solely for the purpose of performing the services
2. a) Any pension paid by, or out of funds created by, a Contracting State or an administrative territorial subdivision or a local authority thereof to any individual in respect of services rendered to that State or subdivision or authority thereof shall be taxable only in that State
- b) Notwithstanding the provisions of sub-paragraph (2-a) of this Article, such pension shall be taxable only in the other Contracting State if the individual is a national of and a resident of that State.

3. The provisions of Articles 15, 16 and 18 shall apply to remuneration and pensions in respect of services rendered in connection with a business carried on by a Contracting State or an administrative territorial subdivision or a local authority thereof

Article 19**PENSIONS**

Subject to the provisions of paragraph 2 of Article 18, pensions and other similar remuneration paid to a resident of a Contracting State in consideration of past employment shall be taxable only in that State

Article 20**TEACHERS AND STUDENTS**

1 Payments which a student or business apprentice who is or was immediately before visiting a Contracting State a resident of the other Contracting State, and who is present in the first-mentioned State solely for the purpose of his education or training receives for the purpose of his maintenance, education or training shall not be taxed in the first-mentioned State, provided that such payments arise from sources outside the first-mentioned State

2 Likewise, remuneration received by a teacher or by an instructor who is or was immediately before visiting a Contracting State a resident of the other Contracting State and who is present in the first-mentioned State with the primary purpose of teaching or engaging in scientific research for a period or periods not exceeding two years shall be exempt from tax in the first-mentioned State on his remuneration from personal services for teaching or research, provided that such payments arise from sources outside the first-mentioned State

Article 21**OTHER INCOME**

Items of income of a resident of a Contracting State, wherever arising, not dealt with in the foregoing Articles of this Agreement shall be taxable only in that State

Article 22**ELIMINATION OF DOUBLE TAXATION**

1 The laws in force in either of the Contracting States will continue to govern the taxation of income in the respective Contracting States except where provisions to the contrary are made in this Agreement

2 In the case of Turkey, double taxation shall be avoided as follows

- a) where a resident of Turkey derives income which, in accordance with the provisions of this Agreement, may be taxed in Uzbekistan, Turkey shall allow as a deduction from the tax on the income of that resident an amount equal to the tax paid on income in Uzbekistan, whether directly or by deduction. Such deduction shall not, however, exceed that part of the tax (as paid before the deduction is given), which may be attributable to the income which may be taxed in Uzbekistan;
- b) where a resident of Turkey derives income which, in accordance with the provisions of this Agreement, shall be taxable only in Uzbekistan, Turkey may include this income in the tax base but shall allow as a deduction from the tax that part of the tax which is attributable to the income derived from Uzbekistan

3. In the case of Uzbekistan, double taxation shall be avoided as follows

- a) where a resident of Uzbekistan derives income which, in accordance with the provisions of this Agreement, may be taxed in Turkey, Uzbekistan shall allow as a deduction from the tax on the income of that resident an amount equal to the tax paid on income in Turkey, whether directly or by deduction. Such deduction shall not, however, exceed that part of the tax (as paid before the deduction is given), which may be attributable to the income which may be taxed in Turkey,
- b) where a resident of Uzbekistan derives income which, in accordance with the provisions of this Agreement, shall be taxable only in Turkey, Uzbekistan may include this income in the tax base but shall allow as a deduction from the tax that part of the tax which is attributable to the income derived from Turkey calculated in accordance with the laws and regulation on taxation of the Republic of Uzbekistan.

Article 23

NON-DISCRIMINATION

1. Nationals of a Contracting State shall not be subjected in the other Contracting State to any taxation or any requirement connected therewith, which is other or more burdensome than the taxation and connected requirements to which nationals of that other State in the same circumstances are or may be subjected.

2. Subject to the provisions of paragraph 4 of Article 10, the taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be less favourably levied in that other State than the taxation levied on enterprises of that other State carrying on the same activities

3. Enterprises of a Contracting State, the capital of which is wholly or partly owned or controlled, directly or indirectly, by one or more residents of the other Contracting State, shall not be subjected in the first-mentioned State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which other similar enterprises of the first-mentioned State are or may be subjected

4. These provisions shall not be construed as obliging a Contracting State to grant to residents of the other Contracting State any personal allowances, reliefs and reductions for taxation purposes on account of civil status or family responsibilities which it grants to its own residents

Article 24

MUTUAL AGREEMENT PROCEDURE

1. Where a resident of a Contracting State considers that the actions of one or both of the Contracting States result or will result for him in taxation not in accordance with the provisions of this Agreement, he may, notwithstanding the remedies provided by the taxation laws of those States, present his case to the competent authority of the State of which he is a resident. The case must be presented within the period prescribed by the domestic laws of the Contracting States

2. The competent authority shall endeavour, if the objection appears to it to be justified and if it is not itself able to arrive at a satisfactory solution, to resolve the case by mutual agreement with the competent authority of the other Contracting State, with a view to the avoidance of taxation not in accordance with the Agreement.

3. The competent authorities of the Contracting States shall endeavour to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of the Agreement. They may also consult together for the elimination of double taxation in cases not provided for in the Agreement.

4. The competent authorities of the Contracting States may communicate with each other, under the established procedure, for the purpose of reaching an agreement in the sense of the preceding paragraphs. When it seems advisable in order to reach agreement to have an oral exchange of opinions, such exchange may take place through a Commission consisting of representatives of the competent authorities of the Contracting States.

Article 25

EXCHANGE OF INFORMATION

1. The competent authorities of the Contracting States shall exchange such information as is necessary for carrying out the provisions of this Agreement or of the domestic laws of the Contracting States concerning taxes covered by the Agreement insofar as the taxation thereunder is not contrary to the Agreement. Any information received by a Contracting State shall be treated as confidential in the same manner as information obtained under the domestic laws of that State and shall be disclosed only to persons or authorities including courts and administrative bodies involved in the assessment or collection of the enforcement or prosecution in respect of or the determination of appeals in relation to, the taxes covered by the Agreement. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions.

2. In no case shall the provisions of paragraph 1 be construed so as to impose on a Contracting State the obligation.

- a) to carry out administrative measures at variance with the laws and the administrative practice of that or of the other Contracting State;
- b) to supply information which is not obtainable under the laws or in the normal course of the administration of that or of the other Contracting State;
- c) to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process or information, the disclosure of which would be contrary to public policy (ordre public).

Article 26**MEMBERS OF DIPLOMATIC MISSIONS AND CONSULAR POSTS**

Nothing in this Agreement shall affect the *fiscal privileges of members of diplomatic missions or consular posts under the general rules of international law or under the provisions of special agreements*

Article 27**ENTRY INTO FORCE**

Each Contracting State shall notify to the other the completion of the procedures required as far as it is concerned for the bringing into force of this Agreement. This Agreement shall enter into force on the day when the latter of these notifications has been received and its provisions shall have effect in both Contracting States for taxes with respect to every taxable year beginning on or after the first day of January of the year in which the Agreement enters into force

Article 28**TERMINATION**

This Agreement shall remain in force until terminated by one of the Contracting States. Either Contracting State may terminate the Agreement through diplomatic channels, by giving written notice of termination at least six months before the end of any calendar year beginning after the expiration of five years from the date of entry into force of the Agreement. In such an event, the Agreement shall cease to have effect in both Contracting States for taxes with respect to every taxable year beginning on or after the first day of January of the year following that in which the notice of termination is given.

IN WITNESS WHEREOF, the undersigned, duly authorized thereto, have signed the present Agreement

Done in duplicate at Tashkent this 8 th day of May 1996 in the Turkish, Uzbek and English languages, all three texts being equally authentic. In case of divergence between the texts, the English text shall be operative one

**FOR THE GOVERNMENT OF
THE REPUBLIC OF TURKEY**

**FOR THE GOVERNMENT OF
THE REPUBLIC OF UZBEKISTAN**